

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

APPLICATION OF KENTUCKY-AMERICAN)	
WATER COMPANY FOR AN ORDER AUTHORIZING)	
THE ISSUANCE AND SALE OF ITS GENERAL)	
MORTGAGE BONDS, 11.50% SERIES, DUE)	CASE NO. 8830
APRIL 15, 1992, IN THE PRINCIPAL)	
AMOUNT OF \$3,500,000.)	

O R D E R

On May 11, 1983, Kentucky-American Water Company ("Kentucky-American") filed its application seeking authority to issue and sell \$3,500,000 of its general mortgage bonds at 11.5 percent interest.

The proceeds will be used to fund the redemption of the First Mortgage Bonds, Series D, 4 1/2 percent, which matured May 1, 1983, in the amount of \$3,200,000, to pay the cost of issuance of the bonds estimated to be \$55,000, to fund the 1983 sinking fund requirements in the amount of \$168,000, and the balance, \$77,000, for additional construction, completion, extension or improvement of the plant and distribution system of Kentucky-American.

The Commission, after consideration of the application and all evidence of record and being advised, is of the opinion and finds the proposed issuance and sale by Kentucky-American of \$3,500,000 of its general mortgage bonds at 11.5 percent interest is for lawful objects within the corporate purposes of its utility

operations, is necessary and appropriate for and consistent with the proper performance of its service to the public and will not impair its ability to perform that service, and is reasonably necessary and appropriate for such purposes.

IT IS THEREFORE ORDERED that Kentucky-American be and it hereby is authorized to issue and sell \$3,500,000 of its general mortgage bonds at 11.5 percent interest.

IT IS FURTHER ORDERED that the proceeds from the sale of the securities authorized herein shall be used only for the lawful purposes as set out in the application.

Nothing contained herein shall be construed as a finding of value for any purpose or as a warranty on the Commonwealth of Kentucky or any agency thereof as to the securities authorized herein.

Done at Frankfort, Kentucky, this 19th day of May, 1983.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary